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NAVAL SUPPLY SYSTEMS COMMAND
WEAPON SYSTEMS SUPPORT

NAVSUP WSS Performance Based Logistics (PBL) Perspective

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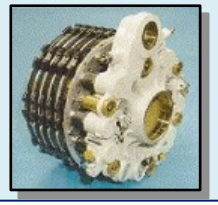
Background
A Different Acquisition Strategy

Pre - 1996 | 1997 - 1999 | 2000 and Beyond

Traditional Inventory

Supply Chain Management

Buying Parts to Address Failures



Attacking Logistic Failures

- ✓Improve Reliability
- ✓Resolve Obsolescence
- ✓Integrate Support Solutions

Managing Supplies

Managing Relationships and Outcomes

- ✓Customer Focused Goals
- ✓Gov't/Industry Partnerships

A Reengineering Tool to Improve Readiness

Background
PBL Supplier Roles

Alternative logistics support solutions that leverage partnerships with industry

- Warehousing
- Forecasting
- Engineering/tech services
- Transportation
- Repair/overhaul/ replace decision
- Consumable piece parts
- Obsolescence management
- Configuration management*
- Technology/reliability insertion

* Navy retains configuration control

Purpose

Cultivate Long-Term Partnerships With Industry

Lower Response Time
Lighten Logistics Footprint
Increase Availability

Leverage Commercial Supply Chain Solutions

Strategies Aligned to Fleet Requirements

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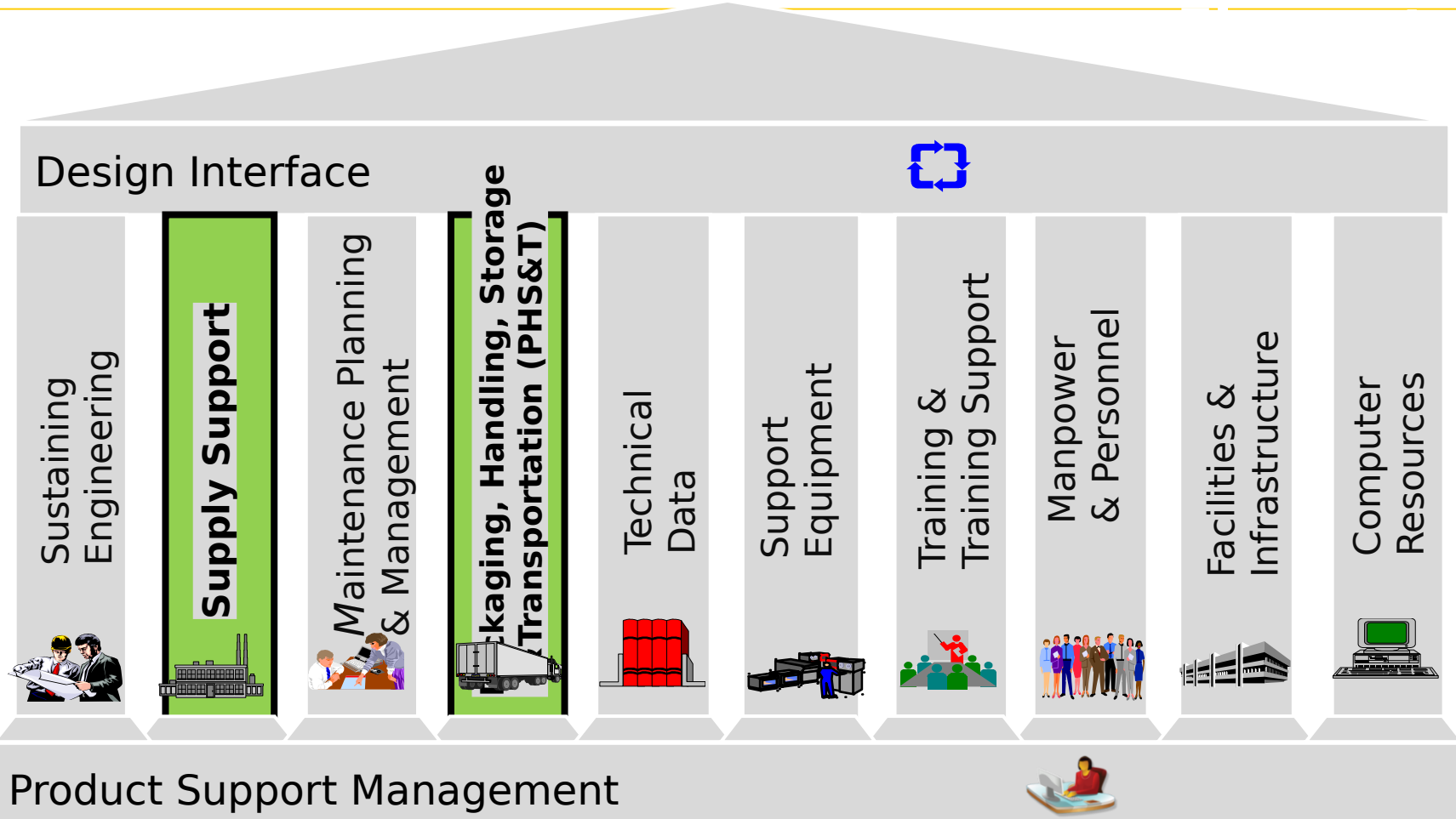
Background
Integrated Product Support (IPS)



Product Support Is Enabled by 12 Integrated Product Support (IPS) Elements Designed to Deliver System Readiness & Availability While Optimizing System Life

Background

One Size Does NOT Fit All… Each Is

Navy PBLs…

- Are long term agreements;
- Address availability, obsolescence, reliability, and cost;
- Provide specified, measured performance outcomes;
- Are supply contracts;
- Are enabled by the Navy Working Capital Fund (NWCF)

Create "Win-Win" Strategy

Incorporate Surge Capability

Mitigate Risk

Ensure Exit Strategy

NWCF…

- Enables multiple year, long-term agreements
- Incentivizes contractor investment and innovation
- Makes PBL transparent to Fleet customers… support strategy integrated into Supply System

Securing Supply Chain Performance

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Background
Traditional Structure Remains

- PBL is fully incorporated into the Navy Integrated Supply System… assets are reported, normal requisition processing, carcass tracking, and billing procedures apply
- All PBLs in compliance with Core requirements… organic depot capability and workload maintained
- NAVSUP WSS remains the designated Logistics Manager for all items on the PBL contract
- Program Manager is single “belly-button” for warfighter support
- PBL supports the existing maintenance concept, often three-level… existing or planned “intermediate" level maintenance capability incorporated

Not Contractor Logistics Support (CLS)

Program Office / Government Is the “PSM”…
PBL Contractor Is the “PSI”

Background
Why PBL Works

- Navy buys comprehensive performance package… not individual parts
- This approach changes vendor behavior
  - Fixed price “pay for performance” contract now motivates vendor to reduce failures / consumption
  - Long term commitment enables vendor to balance risk vs. investment

Vendor Actions

- **Improves Parts Support** … Material availability increases + Logistics Response Time (LRT) decreases resulting in Improved Readiness
- **Optimizes Depot Efficiency** … Repair Turn Around Time (RTAT), Awaiting Parts (AWP), & Work in Process (WIP) decrease
- **Invests in Reliability** … Mean Time Between Failures (MTBF) improves
- **Shortstops Failures** … Reduces off-station demand

Procuring the Performance “End-State” … NOT the “How To”

Background
Development Process

Current Average 30+ Months; Lean Goal 20-22 Months

Candidate Selection → **Business Case Analysis / Proposal Process** → **Negotiate / Award / Track**

Input From:

Program Office
- Fleet
- Industry
- ICP "Opportunity Index"

Focus On:

- New Systems
- Commercial for Life
- Low Reliability
- Poor Availability
- Obsolescence Challenges
- High Cost/High Demand

Responsibilities:

Government Side of BCA:
- Must accurately capture & forecast costs of traditional government processes

Contractor Side of BCA:
- Proposal in response to SOW
- Incorporate commercial best practices and industry expertise… costing based on the re-engineered process

Focus On:

- Transition Plan
- Performance Tracking
- Program Reviews

Includes Title 10 U.S.C 2464 (Core) Analysis Prior to Award

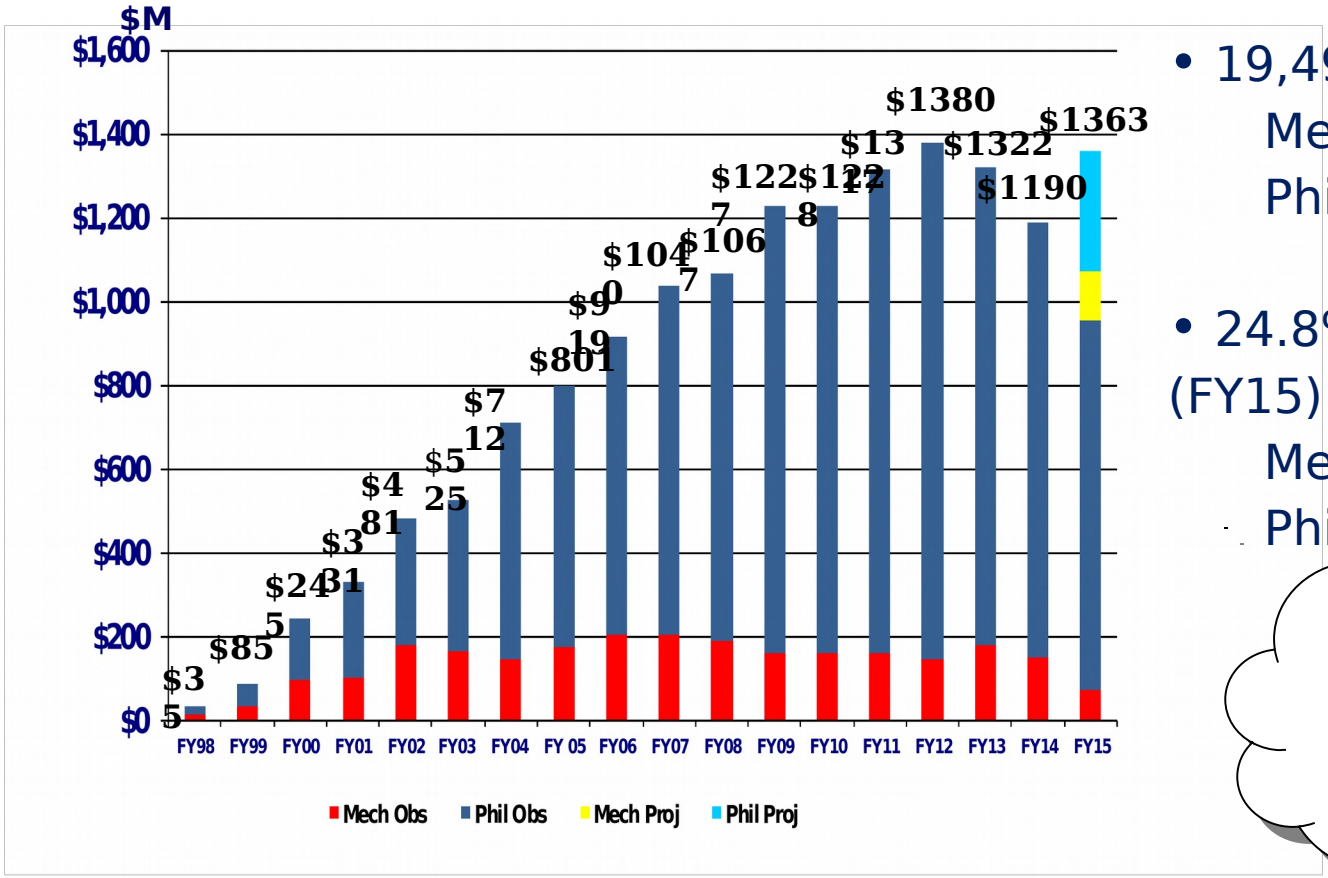
Background
Key Issues

- Mutual understanding of scope of effort / objectives
  - Universe of systems/components / NSNs… the “market basket”
  - Intended ILS coverage
- Affordability / financial issues
  - Funding streams … ties to scope of effort (ILS)
  - Cash flow
- Stakeholder concerns
- Incorporation of customer-driven improvements
- Metrics
- Core / Partnership issues
- FMS / DLA / Interservice
- Transparency to customer
- Commitment by IPT to effort and events essential for success

sensus on Requirement and Data Driving the Requirement Is Essen

Program Status

PBL Profile
Thru February 2015



Business Scope

- 19,492 NSNs
  - Mech = 13,681
  - Phil = 5,811
- 24.8% of total demand (FY15)
  - Mech = 11.0%
  - Phil = 36.5%

In FY14, PBLs accounted for 26.5% of NAVSUP WSS obligations

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Program Status
Sample Results

- Increased material availability
  - F/A-18 Displays: 47% to 99%
  - AN/USC-38 EHF SATCOM Terminal: 78% to 93%
- Decreased response times
  - Tires: 4 days world-wide
- Decreased repair turn-around-times
  - F404 Engine: 25% reduction… 75% decrease in work-in-process
- Near elimination of awaiting parts problems
  - APU: 232 units AWP to 0
- Major reduction in backorders
  - F/A-18 Stores Management System: 489 to 0
  - Close In Weapon System (CIWS): 200 to 3
- Reduced logistics footprint
  - Retail allowance reductions: Tires decreased by two-thirds… $7M savings on ALR 67(v)3 initial outfittings

Significant Improvements in Fleet Sustainment Support

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Take Aways

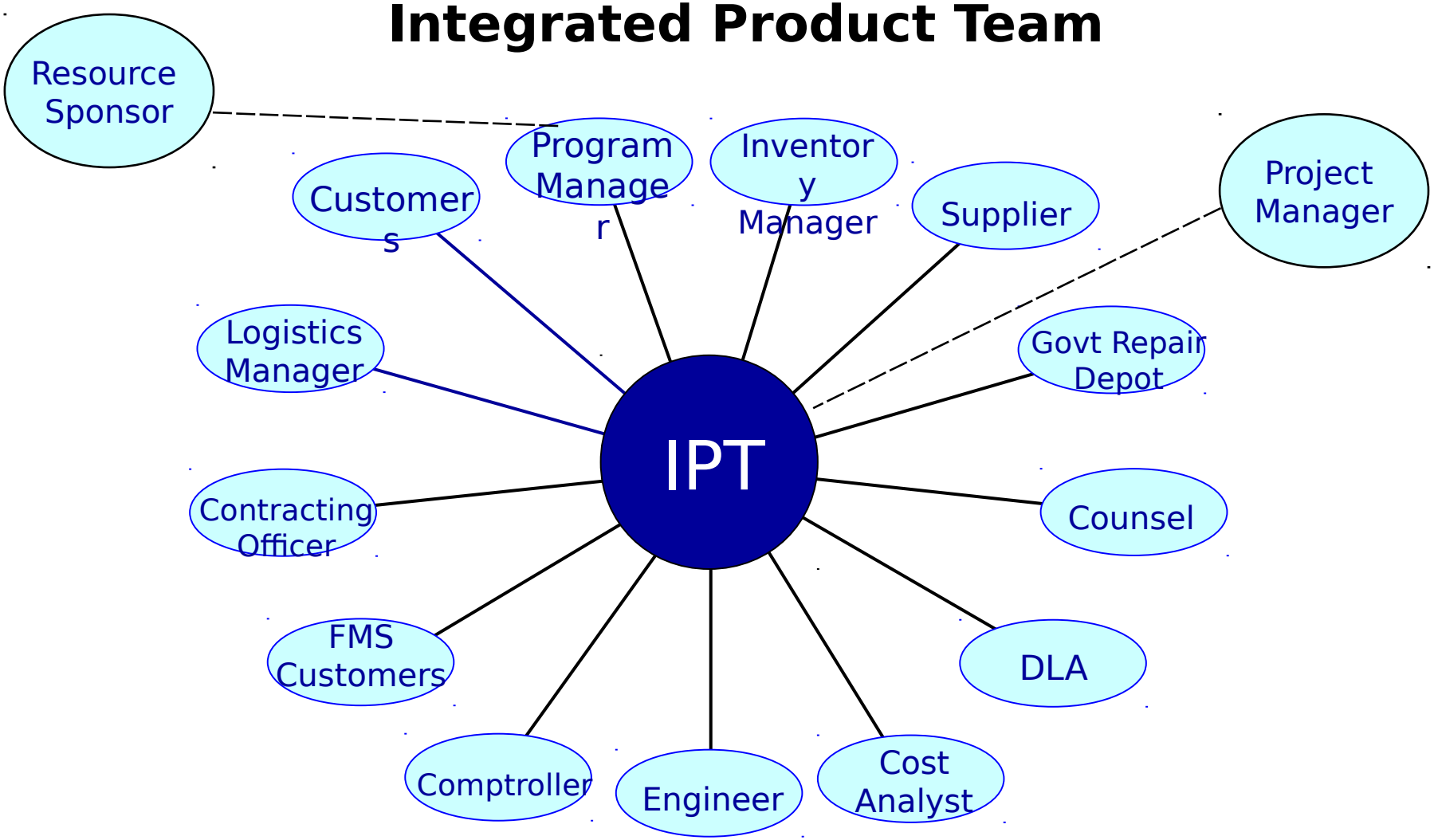
NAVSUP WSS PBL Strategic

- Supply chain outcomes tied to warfighter requirements
- Focus on affordability and cost-wise readiness… robust BCA must show savings or “break-even”
- Transparency to the Fleet… existing infrastructure leveraged
- Core compliant… public/private partnerships a major pillar of PBL support… organic depot workload and capability maintained
- Sharing of best business practices (Government / Industry)
- Built in incentives to improve processes, increase reliability, reduce consumption… PBL fosters internal competition
- Use of incurred costs to capture base period efficiencies… “should cost” incorporated
- Off-ramp / exit strategies incorporated… implemented as required
- NWCF f

NAVSUP WSS PBL is NOT CLS

Back-Up

Integrated Product Team



Share Lessons Learned… Engage Stakeholders Early in the Process

Background
Platform PBL Key Considerations

Execution Issues

- Prime may be unable/unwilling to enter PBL-type subcontracts with suppliers… corrective actions / reliability improvements may not flow up from OEM suppliers
- Prime does not perform the bulk of support effort in-house
- Prime does not offer efficiencies and/or accepts too much risk in affordability
- Contractual incentives must properly drive Prime performance

Monitoring / Offramp Issues

- Need to ensure visibility of Prime efficiencies and investment
- Exit provisions ensuring effective transition to traditional SCM must be addressed…net asset position and pipeline essential

Sub-system Level PBL's with OEMs Are Predominantly Successful!

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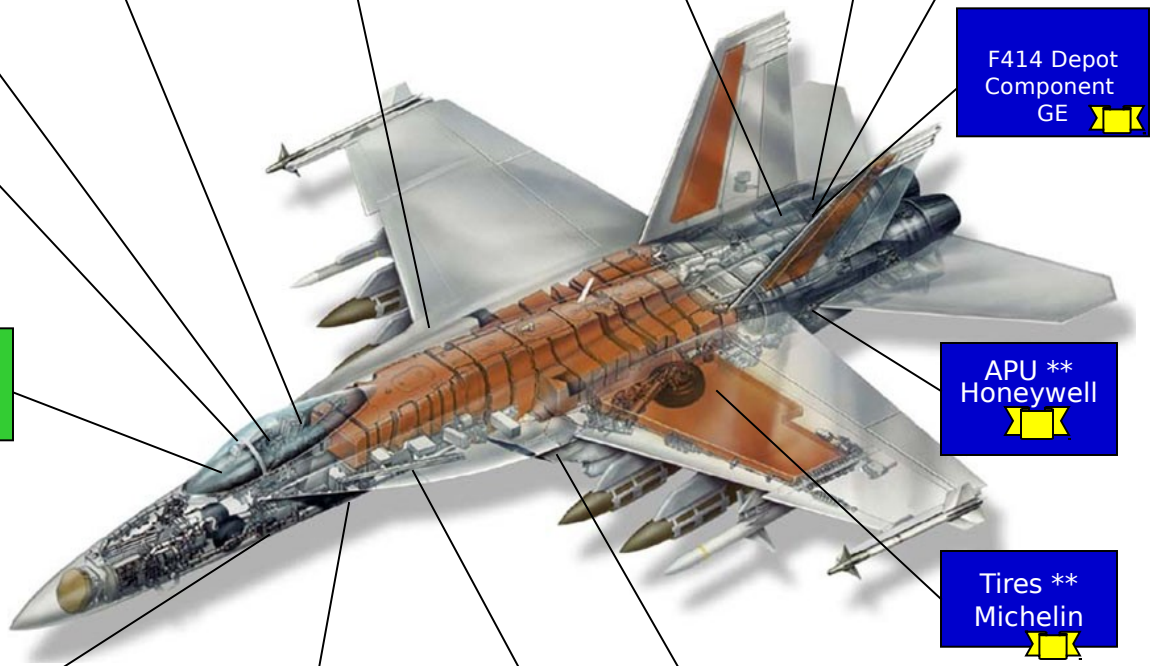
Current Environment

F/A-18 PBLs



- 15 current sub-system and component PBLs contribute to F/A-18 platform support
- PBLs support 1200 USN/USMC Aircraft
- Delivering Cost Wise Readiness to the Fleet
- Additional PBLs with OEMs planned over time to support FIRST offload

Awarded PBLs
Pending PBL
* F/A-18A-D PBL Only
** Supports Multi A/C

PBL Award Winners

F/A-18 Integrated Virtual Program Office… Focused on Platform Level Performance Based Support

PBL Way Ahead
Lessons Learned

- Tackle Title 10 (Core) issues up front
- Involve all stakeholders in the process
- Get senior level buy-in
- Use a dedicated, knowledgeable IPT to help shorten time to award and try to keep a steady roster
- Regularly scheduled calls and meetings are critical
- Maintain a complete record of data provided to the contractor… decisions, meeting minutes, and presentation materials… develop a comprehensive library
- Involve contracts early to work contracting issues concurrent with requirements and technical teams… strong acquisition planning is a must

Lessons Learned Become Part of Standard Process

PBL Way Ahead
Lessons Learned

- Ensure complete understanding of the requirement and tackle the big strategy issues up front… meaningful ROMs, BCAs, or proposals won't result until performance requirements and areas of risk are understood
- Make sure there are opportunities for industry… investments in improvements early = reduced costs later = profits
- For partnerships, get buy-in from FRC / FST business offices, engineers, logisticians
- For the BCA… scrub your data, scrub your data, scrub your data
- Teach your IPT the basics of logistics, cost analysis and budgeting (if it is not their basic competency)
- Ensure everyone understands the milestones to contract award and their sequence, and assign a lead to aggressively manage the schedule

Continuous Improvement and Refinement is the Goal

PBL Way Ahead
Lessons Learned

- Make sure the metrics used are easy to measure reliably, and that the contractor's actions are 100% responsible for producing the outcome. Tie your contract metrics to the PBA
- Use an automated planning tool if one is available
- Be aware of other initiatives that impact your effort… ECPs/LECPs, NAVRIIP, IISRP, SDLM/IMP, FRC interdictions, etc.
- Be aware of what funding streams will be available… this drives the "content" of the PBL. The PBL can cover almost anything as long as the appropriate funding is committed to the effort
- Involve legal counsel early
- Consistent CAV reporting absolutely required

Training of PBL IPTs Critical… Knowledge Base Key to Growth

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Background
Public Private Partnering

- PBL must incorporate organic depot capability
- Strategy satisfies Title 10 Core requirements
- Partnerships are an effective use of FRC / depot-level expertise combined with industry know-how

Partnerships create additional FRC opportunities

- Sharing of best business practices promoted
- Reliability improvements / tech insertions encouraged
- Government and industry are true partners, not competitors
- Improved readiness at reduced costs
- Ensures sustainment of organic capability and artisan expertise

In FY14 80.2% of Aviation PBL Obligations on Partnerships

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Program Status

Current NAVSUP WSS PBL Contracts -

PBL Name	Contractor	Type	PBL Level - Component/Sub-system/System	Pre-PBL Metrics	Metrics	Current Performance - Status G/Y/R
Engines F414 C & A / Fleet Support	GE	Partnership	Component	N/A (no pre-PBL)	IPG 1- 80% in 2 days; 100% in 4 days; IPG2/3 - 80% in 10 days, 100% in 60 days	**CY14 to August:** 7R IPG1 SRT1 87% SRT2 96%; 7R IPG2/3 SRT1 98% SRT2 100%; 1R IPG1 SRT1 60% SRT2 70%; 1R IPG2/3 SRT1 85% SRT2 98%; 106 backorders
F-18/F-14/AV-8 SMS	GE (Smiths Ind)	Full	Sub-system	65% SMA, 489 backorders	IPG1 - 91% in 1 day; IPG2/3 - 91% in 2 days	100% Availability, 0 backorders
S-3/E-2/C-2/F-18-A-G/P-3/C-130 APUs; P-3 EDC; F404 MFC	Honeywell	Partnership	Sub-system	65% SMA, 125 backorders	IPG1 - 90% in 2 days CONUS, 4 days OCONUS; IPG2/3 - 90% in 7 days CONUS, 4 days OCONUS	98% average availability, 1 backorder
Common Tires	Michelin	Full	Component	81% SMA, 3500 backorders	Requsition of any priority - 95% in 2 days CONUS and 4days OCONUS	99.4% availability both categories, 0 backorders
F/A-18/F-14 HUD/DDI	Rockwell Collins (Kaiser)	Partnership	Sub-system	46% SMA, 583 backorders	IPG1 - 91% in 2 working days CONUS; 7 working days OCONUS; IPG 2/3 - 91% in 5 working days CONUS; 10 working days OCONUS	IPG1 - 99% , IPG 2/3 - 99% , 0 backorders
H-60 FLIR	Raytheon	Partnership	Sub-system	33% SMA, 20 backorders	IPG 1 - 100% 1 working day; IPG2/3 - 90% in 14 working days	100% average availability, 0 backorders
H-46/H-53 APUs	HamSundstrand	Partnership	Sub-system	H-46 99% SMA; H-53 - 73% SMA	IPG1 - 90% in 2 days CONUS, 5 days OCONUS; IPG2/3 - 90% in 7 days CONUS, 4 days OCONUS	100% average availability, 0 backorders
Engines T-700	GE	Full	Sub-system	40% SMA, 40 backorders	IPG1 - 80% in 2 days, 100% in 4 days; IPG2/3 - 80% in 8 days, 100% in 21 days	**FY14**: IPG1 SRT1 97% SRT2 100%; IPG2/3 SRT1 100% SRT2 100%; 0 backorders
EA-6B Hydraulics	AAI	Partnership	Component	64% SMA, 64 backorders	IPG 1 - 100% in 3 days; IPG 2/3 - 90% in 13 days 100% In 30 days	100% availability all categories, 0 backorders
Common ALQ-126B	BAE	Partnership	Sub-system	76% SMA, 39 backorders	IPG1 - 100% in 3 contractor working days, FOB destination; IPG2/3 - 100% in 5 contractor working days, FOB destination; Classified material all priorities - 3 contractor working days, FOB origin	100% average availability, 0 backorders
Common ALR-67(v)3	Raytheon	Full	Sub-system	N/A (no pre-PBL)	All priorities - 95% in 4 days	91% availability, 5 backorders
H-53 Phase I	Sikorsky	Partnership	Component	47% SMA, 22 backorders	IPG1 - 85% in 2 days for less than 150 lbs, 4 days for over 150 lbs; IPG2/3 - 85% in 5 days (all)	94% YTD availability

November 2014

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Current NAVSUP WSS PBL Contracts -

PBL Name	Contractor	Type	PBL Level - Component/Sub-system/System	Pre-PBL Metrics	Metrics	Current Performance - Status G/Y/R
F/A-18 SMUG	GE	Full	Sub-system	75% SMA, 17 backorders	IPG 1 - 91% in 1 day; IPG2/3 - 91% in 2 days	99% availability, 0 backorders
Common Avionics ARC-210	Rockwell Collins	Full	Sub-system	70% SMA	IPG1 - 85% in 2 business days; IPG2 - 85% in 5 business days	IPG1 - 99.9% availability, IPG 2/3 - 99.9% availability, 0 backorders
Engines F414 Depot Components	GE	Partnership	Component	N/A (no pre-PBL)	IPG1 - 85% in 2 days; IPG2 - 85% in 3 days; IPG3 - 85% in 10 days	**CY14 to Sept:** 91% average availability, 24 Backorders
P-3 APS-137B	Raytheon	Full	Sub-system	45% SMA, 40-60 backorders	IPG 1 - 75% in 5 days; IPG 2/3 - 75% in 14 days	100% availability, 0 backorders
Common Avionics: CAINS II	Northrop Grumman	Full	Sub-system	N/A (no pre-PBL)	IPG 1 - 100% in 3 days; IPG 2/3 - 100% in 14 days	100% availability all categories, 0 backorders
Common: Advanced Mission Computers	General Dynamics	Full	Sub-system	37% SMA, 74 backorders	IPG 1- 100% in 3 days & IPG 2/3 - 100% in 15 days for CONUS; IPG 1- 100% in 3 days & IPG 2/3 - 100% in 15 days for CONUS	100% availability, 0 backorders
Engines F404	GE	Partnership	Sub-system	43% SMA, 718 backorders	IPG 1 - 80% in 2 days, 100% in 4 days; IPG 2&3 - 80% in 4 days, 100% in 21 days	**CY14 thru Sept:** IPG 1: SRT1 is 100%, SRT2 is 100% IPG 2&3: SRT1 is 99%, SRT2 is 99% 0 Backorders
SE CASS /CASS CSP/ CASS 09	LMIS	Full	System	75% SMA, 25 backorders	Broad Arrow - 100% 24 hrs; IPG 1- 90% 2 days; IPG 2 - 90% 3 days; IPG 3 - 90% 30 days	Broad Arrow - 100% availability; IPG 1, 2, 3 - 99.2% availability; 0 Backorders
H-60 Tip to Tail	MHSCO	Partnership	System	69% SMA, 141 backorders	IPG 1 - 80% in 5 days, 100% in an RTAT; IPG 2/3 - 80% in 14 days, 100% in an RTAT	96% for Hi Pri docs; 97% for Low Pri. SMI Items- 100% for Hi Pri docs and 100% for Low Pri docs, 1 Backorder
V-22	Bell-Boeing	Partnership	Components		HI-PRI Degarders: 35% in 4 days 100% in 90 days Lo-Pri Degraders: 35% in 7 days, 100% in 180 days Hi-Pri Non-Degraders: 45% in 4 days, 100% in 90 days Lo-Pri Non-Degraders: 50% in 7 days, 100% in 180 days	Hi-Pri Degraders: 36% in 4 days; 76% in 90 days Lo-Pri Degraders: 42% in 7 days; 70% in 180 days Hi-Pri Non-Degraders: 53% in 4 days; 92% in 90 days Lo-Pri Non-Degraders: 61% in 7 days; 81% in 180 days BBs- 533
F/A-18 FIRST	Boeing	Partnership	System	N/A (no pre-PBL)	For repairables - IPG1 - 90% in 4 days, 100% in 10 days, IPG2/3 - 85% in 16 days, 100% in 38 days; For consumables - IPG1 - 90% in 4 days, 100% in 10 days; IPG2/3 - 90% in 16 days, 100% in 38 days;	7R IPG1 SRT 26%; 7R IPG2/3 SRT 53%; 1R IPG1 SRT 71%; 1R IPG2/3 SRT 78%; backorders - 7R IPG 1: 111 : 7R IPG 2/3: 162: 1R IPG1: 20: 1R IPG 2/3: 41
AV-8B HISS	Boeing	Partnership	System	54% SMA, 1071 backorders	IPG 1 - 80% in 3 days, 100% in 6 days CONUS; 80% in 5 days, 100% in 14 days OCONUS; IPG 2/3 - 80% in 18 days, 100% in 52 days CONUS; 80% in 18 days, 100% in 52 days OCONUS;	IPG1 DRT1 27% IPG1 DRT2 36%; IPG2/3 DRT1 49% IPG2/3 DRT2 63% SMA- 51.7% BBs- 1125

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PBL Name	Contractor	Type	PBL Level - Component/Sub-system/System	Pre-PBL Metrics	Metrics	Current Performance - Status G/Y/R (12 Mo. Avg) Backorders
AEGIS Fire Control	Raytheon, Sudbury, MA	Full	Sub-system	62%, 155 backorders	IPG-1 (2 days), IPG-2 (4 days), IPG-3 (6 days) AFR 85 - 90%	**94.8% (Avg), 5 backorders**
AEGIS SPY-1	Lockheed Martin, Moorestown, NJ	Full	Sub-system	95%, 28 backorders	IPG-1 (2 days), IPG-2 (4 days), IPG-3 (6 days) AFR 85 - 90%	**94% (Avg), 2 backorders**
Close In Weapon Sys (CIWS)	Raytheon, Tucson, AZ	Full	Sub-system	85%, 300 backorders	IPG-1 (1 days), IPG-2 (3 days), IPG-3 (4 days) AFR 92 - 94%	**91.6% (Avg), 41 backorders**
MK41 VLS	Lockheed Martin, Baltimore, MD	Full	Sub-system	90%, 20 backorders	IPG-1 (2 days), IPG-2 (4 days), IPG-3 (6 days) AFR 88 - 92%	**96.5% (Avg), 17 backorders**
NATO Seasparrow	Raytheon, Norfolk, VA	Full	Sub-system	80%, 180 backorders	IPG-1 (2 days), IPG-2 (4 days), IPG-3 (15 days) AFR 80 - 90%	**92% (Avg), 3 backorders**
USC-38 and FOT	Raytheon, RSC	Full	Sub-system	78%, 45 backorders	IPG-1 (2 days), IPG-2 (4 days), IPG-3 (8 days) AFR 85 - 90%	**94% (Avg), 17 backorders**
WSN-7, BPS 15/16, IBS Systems,	Northrop Grumman, Charlottesville, VA	Full	Sub-system	51%, 63 backorders	IPG-1 (3 days), IPG-2 (5 days), IPG-3 (7 days) AFR 85 - 90%	**95.2 (Avg), 2 backorders**

October 2014

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Naval Supply Systems Command
Weapon Systems Support

Auditability
The Contract BCA

- Contract BCAs are conducted for all new and renewal PBLs to determine affordability
- Criteria for a NEW PBL award is “break even or better” comparison between traditional costs and the contractor proposal
- Criteria for a PBL renewal award is “break even or better” comparison between current PBL costs and the contractor proposal
- BCA focuses on the Navy Working Capital Fund (NWCF) costs / benefits
- Standardized, repeatable, documented process incorporating lessons learned for over 14 years
- BCA has supported affordable awards of dozens of PBL contracts based on above criteria
- NAVSUP model independently certified by LMI in 2008
- BCA has supported multiple IG and GAO audits

NAVSUP WSS BCA Process Documents $530.1M or 4.1% in Savings / Cost Avoidance from FY00 to FY13 Attributable to the PBL Program

Auditability
The Contract BCA

- **Contract BCA incorporates decisions derived from other analyses… LORA, DSOR/ISOR, maintenance planning, Core, etc… it is NOT an analysis of alternatives you might find in a life cycle BCA**
- **PBL is pursued to improve support… for new systems, goal is performance guarantees; for PBL renewals, goal is continued performance guarantees**
- **Difficulties in support via traditional means are not by design… traditional methods and models assume appropriate Fleet outcomes… inability to attain is a function of disjointed supply chain, thus the pursuit of proven, demonstrated, affordable PBL strategies**

Goal is More "Bang for the Buck"… PBL Allows Single Entity with Required Expertise to Lean Out the Supply Chain, Improve Support to the Fleet, and Garner Internal Benefits of the Strategy

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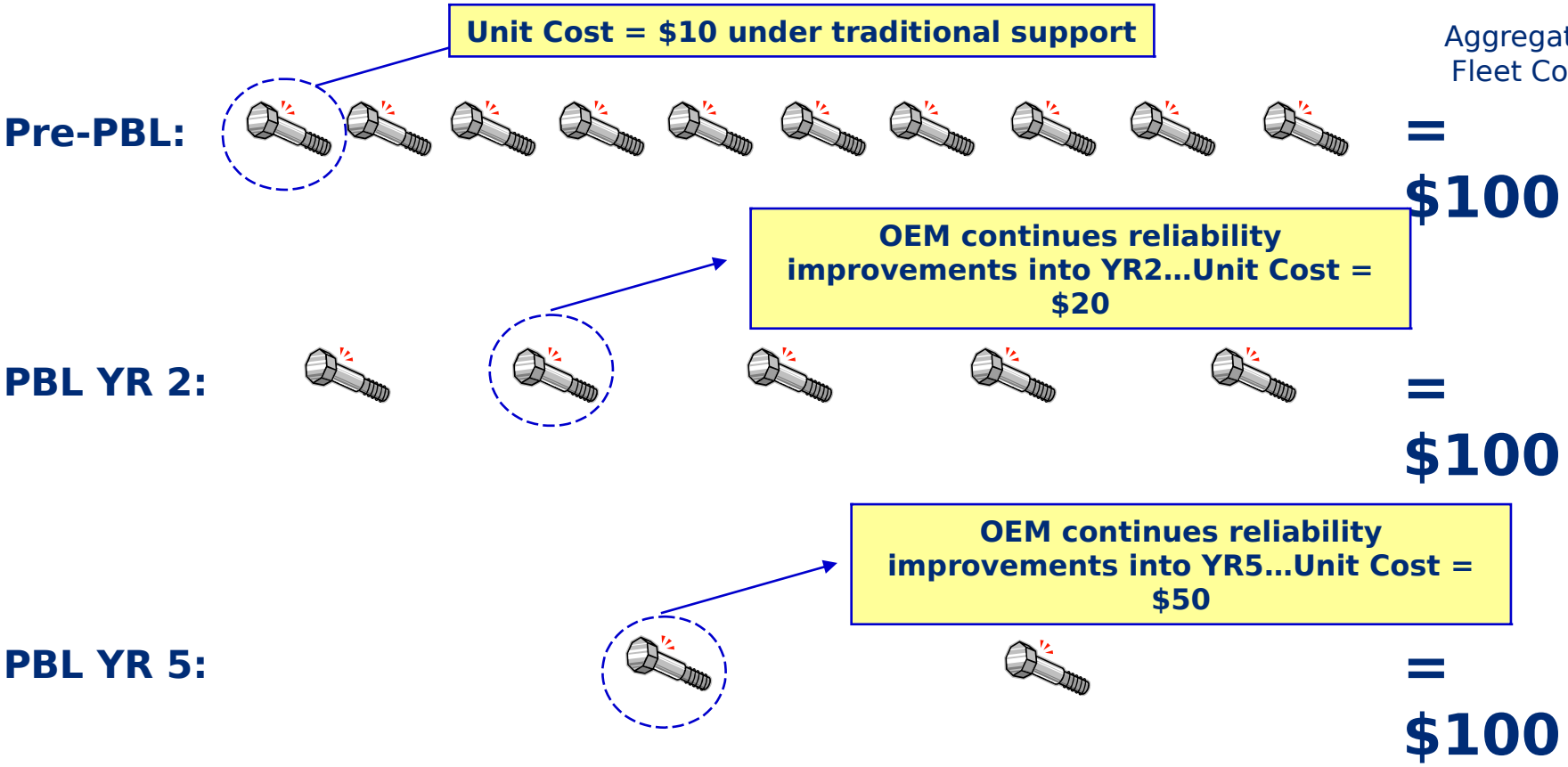
PBL "Calculus"
Demands vs. Price


Unit Cost = $10 under traditional support
Aggregate Fleet Cost
Pre-PBL:
= $100
OEM continues reliability improvements into YR2…Unit Cost = $20
PBL YR 2:
= $100
OEM continues reliability improvements into YR5…Unit Cost = $50
PBL YR 5:
= $100

Bottom Line: PBLs Provide Improved Reliability / Readiness at Same Cost of Traditional Support… Aggregate Costs Remain Constant… Unit Costs Shift with Demand

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Program Status
Terminated PBL Efforts

	PBL Name	Contractor	Site	Comments
1	F/A-18 APG-65/73 Radar	Raytheon	NAVICP-PHIL	Several PBL efforts pursued; all ended because BCA criteria not met
2	E-2 Radios	Rockwell	NAVICP-PHIL	Did not meet BCA criteria
3	F/A-18 Trailing Edge Flap/Stab Actuators	Parker Hannafin	NAVICP-PHIL	Did not meet BCA criteria
4	F/A-18 Leading Edge Flap	Moog	NAVICP-PHIL	Did not meet BCA criteria
5	E-2 APS-145 Radar	Lockheed Martin	NAVICP-PHIL	Did not meet BCA criteria
6	T-64 Engine	GEC Marconi	NAVICP-PHIL	Non-PBL partnership provides excellent support
7	Common SCADC	GEC Marconi	NAVICP-PHIL	Primary user out of inventory (S-3); remaining customers supported through traditional means
8	F-14 LANTIRN	Lockheed Martin	NAVICP-PHIL	PBL terminated when F-14 retired
9	Common ALE-50	Raytheon	NAVICP-PHIL	PBL not renewed - demand did not generate as expected; system utilization rate far under expectations; PBL support not required; transitioned to traditional support
10	TF-34 Bearings	F.A.G. Canada	NAVICP-PHIL	PBL not renewed - support for S-3 engine no longer required
11	H-46 Components Phase 1	Boeing	NAVICP-PHIL	PBL not renewed - declining population of H-46s supported through traditional means
12	Original V-22 JPBL	Bell-Boeing	NAVAIR-NAVSUP WSS	Did not meet BCA criteria - new effort focused on Bell-Boeing make items
13	F402 Engine	Competitive	NAVSUP WSS	No bids received
14	ARCI-BQQ-10	Lockheed Martin	NAVICP-MECH	PBL not renewed; mini-stock point pursued
15	Torpedoes	Raytheon/Keyport	NAVICP-MECH	PBL effort ended due to Core issues
16	AN/SPS 67	DRS	NAVICP-MECH	Not cost effective for low demand. Sole source items
17	ASDS	Northrup Grumman	NAVICP-MECH	Did not meet BCA criteria
18	AN/SPS 48-E	ITT Industries	NAVICP-MECH	Did not meet BCA criteria
19	BLQ 10/BSY-2	Lockheed Martin	NAVICP-MECH	Did not meet BCA criteria
20	Seals (Packing)	Chesterton	NAVICP-MECH	PBL not renewed due to low sales dollar value
21	ILPE	Hamilton Sundstrand	NAVICP-MECH	PBL not renewed; mini-stock point pursued
22	Q-70	Lockheed Martin	NAVICP-MECH	PBL not renewed; pricing issues
23	Cooperative Engagement Capability (CEC)	Raytheon St Petersburg	NAVICP-MECH	PBL not renewed; Program Office decided to compete follow-on production contract

Background
PBL vs CLS

PBL at NAVSUP WSS:

- Fully incorporated into the Integrated Supply System… assets are reported, normal requisition processing, carcass tracking, and billing procedures apply
- All PBLs in compliance with Core requirements… organic depot capability and workload maintained
- NAVSUP WSS remains the designated Logistics Manager for all items on the PBL contract
- Use of NWCF enables implementation of long-term contracts with industry… BCA ensures affordability
- PBL supports the existing maintenance concept, often three-level… existing or planned “intermediate" level maintenance capability incorporated

CLS:

- All support responsibility is passed to the contractor… support may not be transparent to the customer
- Potential for duplicate infrastructure and support systems (e.g., 1-800 numbers, unique databases, etc)
- May be additional expense associated with a CLS arrangement… CLS often cost-plus
- CLS contracts generally funded by O&M and procurement accounts vice NWCF. True long-term contracts difficult to achieve with appropriated accounts
- Sustainment of existing organic infrastructure can be an issue
- CLS often means two-level, "O" to "D" maintenance
- A CLS support approach is not necessarily performance-based… CLS can simply mean that support is provided by a contractor, it may not be outcome-driven

BL at NAVSUP WSS Always Transparent to the Warfighte